



Report to the Auburn City Council

Action Item 4 Agenda Item No.
City Manager's Approval <i>[Signature]</i>

To: Honorable Mayor and City Council Members
From: Andy Heath, Administrative Services Director
Date: March 14, 2011
Subject: Assignment of Auburn Airport Industrial Park Ground Lease from Leonard and Laurel Smith to the 2010 Smith Family Revocable Trust

The Issue

Shall the City Council consent to the assignment and assumption of a land lease from Leonard and Laurel Smith to the Smith Family Revocable Trust, and authorize the execution of all related documents?

Conclusions and Recommendations

By **RESOLUTION**, authorize the City Manager or his designee to approve the assignment and assumption of the land lease between the City of Auburn, Leonard and Laurel Smith and the Smith Family Trust, and authorize the execution of all related documents.

Background

On June 19, 2001, the City Council approved the assignment of a 50-year land lease between the City of Auburn and Daniel and Alyce Larson and Leonard and Laurel Smith. The land lease comprises 2,362 sq. ft. of real property at the Auburn Airport and is used as an aircraft hangar. The lease is set to expire in 2041.

Analysis

As a means to facilitate the assignment of the lease, both Leonard and Laurel Smith have requested the City's consent to assign the leasehold interest for premises to the 2010 Smith Family Revocable Trust. The current trustees of the 2010 Smith Family Revocable Trust are Leonard and Laurel Smith.

Alternatives Available to Council; Implications of Alternatives

1. Adopt a resolution authorizing the City Manager or his designee to approve the assignment and assumption of the lease from Leonard and Laurel Smith to the 2010 Smith Family Revocable Trust.
2. Do not adopt a resolution and direct staff accordingly.

Fiscal Impact

None. The annual lease amount of \$1,048.06 currently paid by Arthur and Sonja Armstrong will be assumed by the assignees to the lease.

Exhibit A – Assignment of Lease with Consent

ASSIGNMENT OF LEASE WITH CONSENT
(HANGAR #77, AUBURN AIRPORT INDUSTRIAL PARK)

This Assignment of Lease with Consent ("Assignment") dated as of MARCH 14, 2011 (the "Effective Date") is made and entered into for good and valuable consideration by and between Leonard A. Smith, Jr. and Laurel J. Smith ("Assignor") and Leonard Arthur Smith, Jr. and Laurel Jean Smith, as Trustees of the 2010 SMITH FAMILY REVOCABLE TRUST, ("Assignee"), with reference to the following facts:

RECITALS

A. City of Auburn, a Municipal Corporation, as Lessor, and Daniel S. Larson and Alyce E. Larson as Lessee, executed an Auburn Municipal Airport Land Lease ("Lease") on February 1, 2001. By the terms of the Lease the Leased Premises were leased to Assignor as Lessee for a term of fifty (50) years, commencing on February 1, 2001, and ending on January 31, 2041. The Leased Premises are described at Exhibit A and depicted on Exhibit B.

B. On or about June 19, 2001, Daniel S. Larson and Alyce E. Larson assigned all of their right, title and interest to Leonard A. Smith, Jr. and Laurel J. Smith.

C. Assignor now desires to assign the Lease to Assignees, and Assignees desire to accept the assignment thereof.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Assignor, Assignee and City agree as follows:

1. Effectiveness. This Assignment shall be effective as of the Effective Date.
2. Assignment, Assumption and Consent. Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts and assumes from Assignor, all of Assignor's rights and obligations as the "Lessee" under the Lease with respect to the Leased Premises and the improvements constructed thereon. Without limiting the foregoing, Assignee hereby agrees, for the benefit of Assignor and the City, to perform all of the obligations of the "Lessee" under Lease that relate to the Leased Premises and the improvements constructed thereon. The City hereby consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.
3. Release of Assignor. The City hereby releases and discharges Assignor from any obligations of "Lessee" occurring on and after the Effective Date.
4. Entire Agreement. This Assignment, together with the Lease is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Assignment. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or in behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

5. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California without giving effect to its conflicts of law principles.

6. Third Party Beneficiaries. No third party shall have any rights under this Assignment.

7. Subject to Lease. This Assignment is subject to all the terms, conditions and provisions of the Lease.

ASSIGNOR:

Leonard A. Smith, Jr.
Leonard A. Smith, Jr.

Laurel J. Smith
Laurel J. Smith

ASSIGNEE:

Leonard A. Smith, Jr.
Leonard Arthur Smith, Jr., as trustee of the
2010 SMITH FAMILY REVOCABLE
TRUST

Laurel Jean Smith
Laurel Jean Smith, as trustee of the 2010
SMITH FAMILY REVOCABLE TRUST

CITY:

THE CITY OF AUBURN,
a municipal corporation

By: _____
Robert Richardson
City Manager

Attest:

Joseph J. R. LaBrie
City Clerk

Approved as to form:

Michael G. Colantuono
City Attorney

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RESOLUTION NO. 11-
RESOLUTION APPROVING ASSIGNMENT OF AIRPORT INDUSTRIAL PARK
GROUND LEASE FROM LEONARD AND LAUREL SMITH TO THE 2010 SMITH
FAMILY REVOCABLE TRUST

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby authorize the
City Manager or his designee to approve the assignment and assumption of the
Land Lease between the City of Auburn, Leonard and Laurel Smith, and the
2010 Smith Family Revocable Trust.

DATED: March 14, 2011

William W. Kirby, MD, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby
certify that the foregoing resolution was duly passed at a regular meeting of
the City Council of the City of Auburn held on the 14th day of March 2011 by
the following vote on roll call:

Ayes:
Noes:
Absent:

Joseph G. R. Labrie, City Clerk

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